

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4476-01
Bill No.: SB 511
Subject: Social Services Dept.; Medicaid; Health Care
Type: Original
Date: January 23, 2012

Bill Summary: Provides that no amendments shall be made to the Missouri State Medicaid Plan without first obtaining approval from the Joint Committee on MO HealthNet.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives** and **Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Mental Health (DMH)** state the proposed legislation provides that no amendments shall be made to the Missouri State Medicaid Plan without first obtaining approval from the Joint Committee on MO HealthNet.

The fiscal impact of the proposal is unknown. With the passage of this proposal, the potential exists for additional delays in the state plan approval process. This delay could result in either a cost or a savings to the DMH.

Oversight assumes the unknown impact provided by DMH is speculative as there is no way to know what the Joint Committee on MO HealthNet might decide if changes are made to the state Medicaid plan or what the effect may be. However, for fiscal note purposes, **Oversight** is presenting a \$0 or Unknown costs to the General Revenue Fund.

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this legislation states no amendments shall be made to the Missouri state Medicaid plan without first obtaining approval from the joint committee on MO HealthNet established under section 208.952.

Missouri Statute 208.158 states that payments of medical assistance in federally aided programs shall be made only during such times as grants-in-aid are provided or made available to the state on the basis of the state plan approved by the federal government. If legislation passed by the Missouri General Assembly required an amendment to the Missouri state Medicaid plan, under the proposed legislation, approval from the joint committee on MO HealthNet would be required. If the joint committee on MO HealthNet did not approve the amendment, and as a result it wasn't added to the state plan, any funding required by the legislation would be General Revenue. Federal matching dollars would not be available. Therefore, if the proposed legislation is enacted, MO HealthNet may have a fiscal impact, but the amount is unknown.

Officials from the **DSS - Division of Legal Services (DLS)** state this legislation states no amendments shall be made to the Missouri state Medicaid plan without first obtaining approval from the joint committee on MO HealthNet established under section 208.952.

ASSUMPTION (continued)

Missouri Statute 208.158 states that payments of medical assistance in federally aided programs shall be made only during such times as grants-in-aid are provided, or made available to the state on the basis of the state plan approved by the federal government. Under this proposed legislation, if legislation was passed by the Missouri General Assembly, or if changes in federal law require Missouri to amend the state plan, then federal financial participation in the Medicaid program may be at risk if the joint committee on MO HealthNet did not approve an amendment. Federal matching dollars would not be available because the Missouri state Medicaid plan was not amended to include the change. Similarly, if federal legislation is passed requiring an amendment to the Missouri state Medicaid plan, but the changes are not approved by the joint committee on MO Healthnet, federal matching dollars may be withheld. Therefore, if the proposed legislation is enacted, the Division of Legal Services and the Department of Social Services may have a fiscal impact, but the amount is unknown.

Oversight assumes the unknown impact provided by MHD and DLS are speculative as there is no way to know what the Joint Committee on MO HealthNet might decide if changes are made to the state Medicaid plan or what the effect may be. However, for fiscal note purposes, **Oversight** is presenting a \$0 or Unknown costs to the General Revenue Fund.

Due to time constraints, the **Department of Health and Senior Services** was unable to provide a response to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Increase in state share of Medicaid program costs due to lack of federal matching funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs - Department of Mental Health</u>			
Increase in state share of Medicaid program costs due to lack of federal matching funds	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u><u>\$0 or</u></u> (Unknown)	<u><u>\$0 or</u></u> (Unknown)	<u><u>\$0 or</u></u> (Unknown)
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

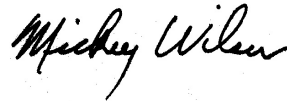
This proposal provides that no amendments shall be made to the Missouri State Medicaid Plan without first obtaining approval from the Joint Committee on MO HealthNet.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Social Services -
 MO HealthNet Division
 Division of Legal Services
Missouri House of Representatives
Missouri Senate

NOT RESPONDING: Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 23, 2012